

**Memorandum of Understanding and
Joint Planning and Development Agreement
By and Between the City of Kingsburg and the County of Tulare
Regarding the Development of the Hash Subdivision and Development Project,
and the Establishment of a Specific Plan for the Project Area**

Introduction

The City of Kingsburg ("City") and the County of Tulare ("County") identify a fifty (50) acre parcel of land at the northwest corner of Madsen/Road 16 and Kern/Avenue 396 ("Project Site") for residential development in their respective General Plans. The Project Site is within the Kingsburg Sphere of Influence and is designated for low density development on the City's Land Use Diagram and, is shown as being within the Kingsburg Urban Development Boundary ("UDB"). The Tulare County General Plan designates the Project Site as Mixed Use.

The Project Site is logically served by the same entities and in the same manner as properties in the City of Kingsburg to the extent practicable. According to the Tax Collector's/Auditor's property tax reports and LAFCo records, the Project Site is serviced by Kingsburg schools, is in the (Fresno) State Center Community College District, is in the Sphere of Influence for the Selma-Kingsburg-Fowler ("SKF") sanitation district, is in the Kingsburg Hospital District, as well as being in several other Kingsburg service areas. The City's water, police, fire and recreation facilities can logically service the project.

From a planning standpoint, the Project Site is within walking distance of Kingsburg's downtown area, and its development would provide added sales to that commercial district.

The City and County desire to establish the planning standards and zoning for the Project Site that are consistent with the City's development standards; to develop special circulation and street designs that are consistent with City standards and provide for complete streets; to establish a system of utilities that are consistent with the City's design standards, and in particular a water system master plan that is consistent with City standards, a sewer system that is consistent with SKF's design standards, and a storm drainage system that meets City and County design standards; to establish responsibilities for performing potentially overlapping governmental functions for Police, Fire and Emergency Services, Code Enforcement, Solid Waste, and Parks and Recreation; to establish basic planning and zoning design regulations for the Project site that are consistent with the City's Municipal Code, and to establish special design and development regulations consistent with those in the North Kingsburg Specific Plan a copy of which is attached hereto as Exhibit "A" and made a part hereof; to establish agreements on the establishment of infrastructure financing mechanisms, and mechanisms to provide revenues for infrastructure maintenance, and services, including such mechanisms as a tax sharing agreement and a Community Facilities District; and, to establish implementation and permit processes to ensure compliance with this agreement. The principal means to implement these agreements and regulations shall be a Specific Plan for the Project Site, adopted by the County ("Specific Plan"). The Specific Plan will establish special zoning categories and the development regulations for the Project Site. This MOU is organized in the same manner as the draft Specific Plan to allow for verification that the content of the Specific Plan implements the MOU and the intent of the parties. Where appropriate, references are made to the sections, exhibits, tables and figures in the Specific Plan that implement the statements and conditions herein.

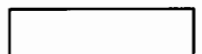
Introduction

The Specific Plan is to be based on the following objectives:

1. Zoning and lot development standards that are consistent with the Kingsburg Municipal Code, and the North Kingsburg Specific Plan. It is the intent that the Specific Plan document, when adopted by ordinance by the County, will establish standards for that portion of the Project Site in the County, which will be the same as that portion of the Project Site in the City.
2. Development of a residential area that blends with and transitions from the existing development pattern in southeast Kingsburg, to the Project Site's newer development pattern.
3. Development of a mix of residential land uses that will provide a variety of housing opportunities, including larger single family lots, standard single-family lots, and limited low-rise attached single family uses.
4. Improvement standards for roads and utilities that are consistent with the City of Kingsburg's adopted Improvement Standards. It is the intent that the Specific Plan, when adopted by ordinance by the County, will establish the same standards for that portion of the Project Site in the County areas, as the City portions of the Project Site.
5. Development of special improvement standards and regulations that will enhance the amenities for the Project Site, including bike paths, pedestrian connections, parks and other features consistent with the City of Kingsburg standards.
6. Development of an infrastructure financing and implementation mechanism that ensures that appropriate infrastructure is installed, and that capital needs for each jurisdiction are met, including the provision of needed public safety facilities.
7. Development of a fiscal framework that ensures that the City and County do not have a fiscal burden to support the Project. To achieve this, special agreements and financing mechanisms shall be established that will provide for adequate ongoing fiscal revenues to the City and the County, and that adequate provision is made for the maintenance of public infrastructure and private open space and improvements. This will require the development of a tax sharing agreement between the City and County, and establishment of infrastructure financing and maintenance mechanisms such as a Landscaping and Lighting District ("LLD") or a Community Facilities District ("CFD").
8. Design standards from the North Kingsburg Specific Plan shall be adapted for the Project site and included in the Specific Plan.

Specific Plan Goals and Objectives

The Specific Plan and other implementing actions are consistent with the policies and regulations in the Kingsburg General Plan and the Tulare County General Plan. The Project implements the following County and City General Plan policies:



City of Kingsburg

The City of Kingsburg General Plan has the following Goals and Policies to direct development in their City. As noted above, the project is within the City's urban development boundary, and the site is designated for lower density residential uses. The City General Plan Goals, as applied to this Specific Plan's Objectives above, indicate the Hash Subdivision and Development Project is in compliance with the City's General Plan. Specific goals and policies:

Policy 2 of Goal No. 4, Residential Areas: Multi-family projects shall include landscaped open space in addition to yard areas required by the zoning ordinance, to be developed for the common recreation use of tenants. Minimum facilities may be required for common recreation areas. Examples include tot lots for pre-school children, and passive recreation areas for lounging, sun bathing, barbecuing, quiet conversation and reading, including area to be shaded by trees and shade structures.

Policy 4 of Goal 4, Residential Areas: Multi-family site development and maintenance shall be in accordance with a comprehensive landscape development plan, including automatic irrigation.

General Plan Goal No. 6: Transportation/Circulation/Traffic – It is a goal of the General Plan to guide and provide for the development of an integrated system of transportation and internal circulation, and to provide access to other parts of Fresno County and the region. This goal is intended to benefit all citizens of Kingsburg.

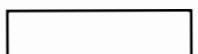
Policy 3 of Goal No. 2 states that: Residential expansion should reflect the considerable variety of housing types that comprise the residential market of the region. In addition to conventional single-family detached housing, there is a strong market for small lot detached and attached (townhouse) single-family purchase housing for entry level buyers as an alternative to multi-family rentals.

County of Tulare

The Tulare County General Plan ("TCGP") recognizes that the area outside the City to the southeast has an existing Urban Development Boundary ("UDB"), but no "Area Plan" has been adopted. The Specific Plan will establish the "Area Plan" for the Project site. The Kings River Plan ("KRP") is adjacent to the Project. The 1982 KRP will limit any potential development expansion eastward and has established natural resource, agricultural and other environmental conservation goals. Relevant County General Plan policies include the following.

PF-1.2 Location of Urban Development - The County shall ensure that urban development only takes place in the following areas:

1. Within incorporated cities and County Adopted City Urban Development Boundaries ("CACUDBs");
2. Within the UDBs of adjacent cities in other counties, unincorporated communities, planned community areas, and HDBs of hamlets;
3. Within foothill development corridors as determined by procedures set forth in Foothill Growth Management Plans;



4. Within areas set aside for urban use in the Mountain Framework Plan and the mountain sub-area plans; and
5. Within other areas suited for non-agricultural development, as determined by the procedures set forth in the in the Rural Valley Lands Plan.

PF-4.1 CACUABs for Cities - The County shall establish CACUABs which define the area where land uses are presumed to have an impact upon the adjacent incorporated city, and within which the cities' concerns may be given consideration as part of the land use review process. The lands within the UAB are the next logical area in which urban development may occur and the area within which UDBs may ultimately be expanded.

PF-4.13 City Design Standards - Where the Board of Supervisors finds that it is consistent with General Plan objectives to approve development within the UDBs of incorporated cities, the County may require the project to substantiate sufficient water supply and meet the County adopted city development standards of the city in question.

PF-4.14 Compatible Project Design - The County may ensure proposed development within CACUABs is compatible with future sewer and water systems, and circulation networks as shown in city plans.

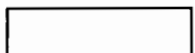
PF-4.15 Coordination with Cities on Development Proposals - The County shall ensure that urban development only take place in CACUDBs if one of the following has occurred:

1. The adjacent city does not consent to annex the property for development purposes (as evidenced through pre-zoning, development agreements, etc.); it shall be conclusively presumed that a city has not consented if it has not submitted an annexation proposal to LAFCo within six months from the date a request to annex is submitted to the city; or
2. Annexation is not possible under the provisions of State law, but it is determined by the County that development of the site does not constitute incompatible development.

PF-4.17 Cooperation with Individual Cities - The County may use the policies set forth under this goal (PF-4A) to work with individual cities to further manage development within that CACUDB or CACUAB to the extent that the financial needs of the County are met and the County's ability to provide facilities and County services used by all the residents in the County and cities is enhanced.

PF- 4.27 Impacts of Development within the County on City Facilities and County Facilities - The County may work with a city to consider the adoption, imposition and collection for payment to the City pursuant to agreement in Development Impact Fees within the CACUDB, as may be proposed by the City from time to time to offset the impacts of development in the County on city facilities. Reciprocally and under the same conditions, the city will consider the collection of Development Impact Fees within the City to offset the impacts of development within the city on County facilities.

LU-3.1 Residential Developments - The County shall encourage new major residential development to locate near existing infrastructure or employment centers, services, and recreation.



LU-3.8 Rural Residential Interface - The County shall minimize potential land use conflicts at the interface between urban development and existing developed rural-residential areas.

LU-7.10 Gateways/Entry-points - The County shall identify key entry points on the edges of the communities and support programs and projects that enhance gateways and transitional zones between communities to make each community more distinctive and inviting for residents and visitors.

LU-7.16 Water Conservation - The County shall encourage the inclusion of "extraordinary" water conservation and demand management measures for residential, commercial, and industrial indoor and outdoor water uses in all new urban development.

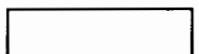
PFS-1.4 Standards of Approval - The County should not approve any development unless the following conditions are met:

1. The applicant can demonstrate all necessary infrastructure will be installed and adequately financed;
2. Infrastructure improvements are consistent with adopted County infrastructure plans and standards; and
3. Funding mechanisms are provided to maintain, operate, and upgrade the facilities throughout the life of the project.

Land Use and Zoning

Zoning for the subject properties shall be consistent with the City's R-1-7 standards for Low Density R-1-7 lots for single-family properties, and Municipal Code requirements for RM-3.0 Multifamily properties. The zoning plan for the project and the tentative subdivision map are shown on Figures 1 and 2, respectively. Single family development in the R-1-7 zone shall be consistent with the Section 17.28.050 of the Kingsburg Municipal Code (R-1-7 zone regulations). Development in the RM-3.0 portion of the project shall be consistent with Chapter 17.32 of the Kingsburg Municipal Code (RM-3.0 development regulations). Those City code sections shall be explicitly included in the final Specific Plan. Prior to the adoption of the Specific Plan by the County, an Agreement for Donation of Real Property dated April 18, 2018 ("Donation Agreement") for the donation of that portion of the Project Site identified as Phase 4 on Figure 2 and comprising of approximately 3.5 acres ("Recreation Land") must be executed by Steven Cecil Hash, Trustee of the Hash/Shafer 2016 Revocable Trust Dated March 24, 2016, Elizabeth Shafer, Trustee of the Hash/Shafer 2016 Revocable Trust Dated March 24, 2016 and the City of Kingsburg and deposited into escrow with Chicago Title Company in Kingsburg, California. A depiction of the Project Site with the Recreation Land identified is shown on Figure 3 at the Southwest corner of the Project Site.

The total buildout described in the EIR includes one hundred fifty (150) single family R-1-7 lots, and thirty-two (32) RM-3.0 units in Phases 1-3, and ten (10) single family R-1-7 lots and eight (8) RM-3.0 units in Phase 4. The buildout in Phase 4 is included per CEQA guidelines because of the zoning changes requested, but it is expected that this portion of the project would be used for additional recreational facilities under a separate agreement. The R-1-7 portions of the project will be consistent with the City's "R-1-7", 7,000 square foot lot, residential zoning standards. Consistent with City requirements, there will be a requirement that at least 20% of the R-1-7 lots be 10,000 square feet or larger. The 45.1-acre R-1-7 portion of the Project con-



tains a total of one hundred sixty (160) R-1-7 lots, with forty-four (44) of the lots ten thousand (10,000) SF or larger (27.5 percent), and one hundred sixteen (116) lots seven thousand (7,000) SF or larger. Average density for the R-1-7 portion of the Project is 3.5 dwelling units per gross acre. Average density of the various blocks and neighborhoods west of the Project between Sierra and 18th Avenue ranges from 3.1 to 3.5 units per gross acre. Only single story dwelling units shall be constructed along the west and south boundaries lines of the Project Site as identified on Exhibit "B" which is attached hereto and made a part hereof.

The RM-3.0 Multifamily zone (consistent with the County's "R-3" Multiple Family Zone standards) in the Project is intended to accommodate fourplexes, with common drives, private garages, and attached homes. This product type includes single story or low-rise buildings, with dwelling units that have amenities and sizes like smaller single-family units, but in an attached configuration. These units would be used as a landscaped "liner" along Kern Street and would avoid the need for a block wall or fencing along the frontage. All the units have yards and private entrances and alley-loaded garages. Design standards for these units are further described the Design Guidelines in Part Seven of the Specific Plan. There are forty (40) RM-3.0 units planned on 6.9 acres in the southwest portion of the project along the Kern Street frontage, which results in an average density in the zone district of 5.8 dwelling units per gross acre.

The City's standard zoning regulations for the R-1-7 and the RM-3.0 areas are to be supplemented by special development regulations in Part Seven of the Specific Plan.

Figure 1
Project Zoning Plan

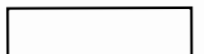
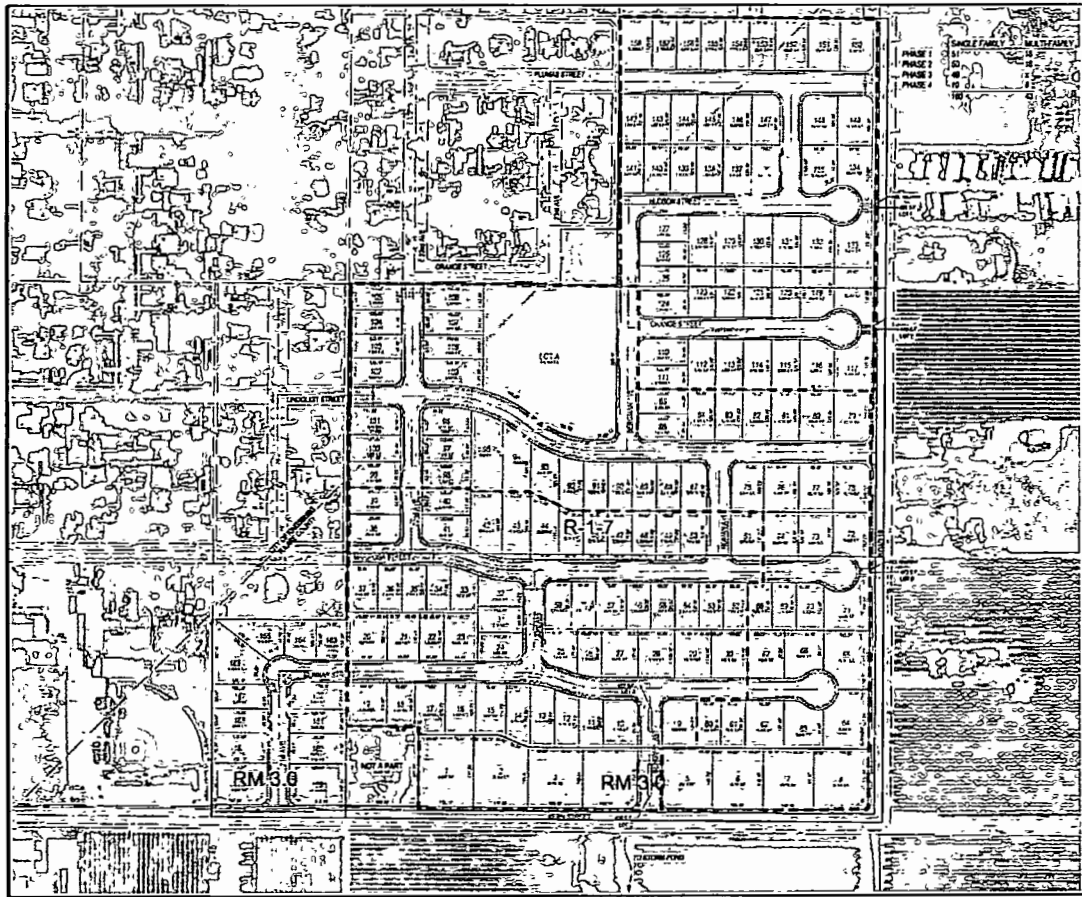
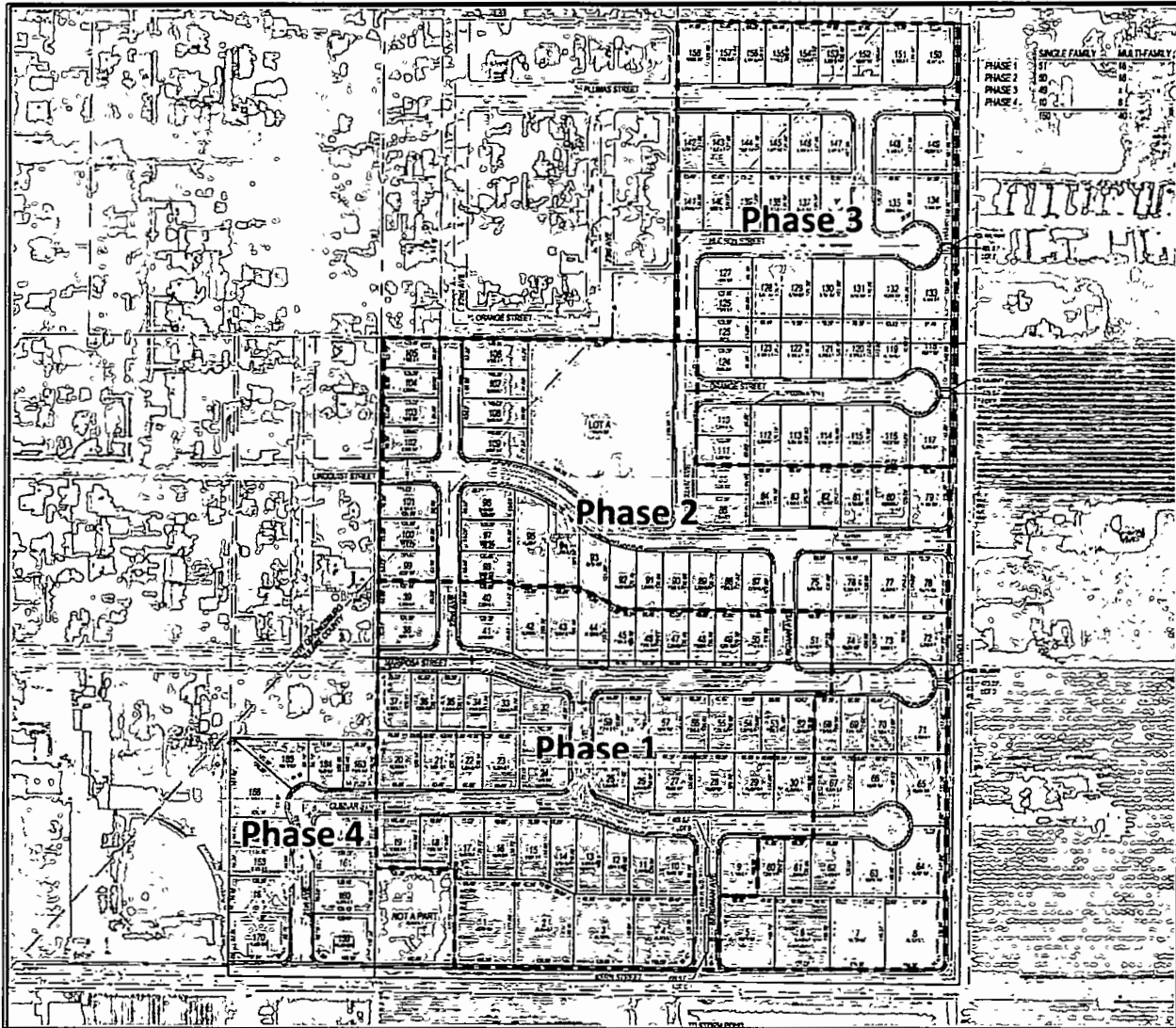


Figure 2
Vesting Tentative Map



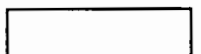
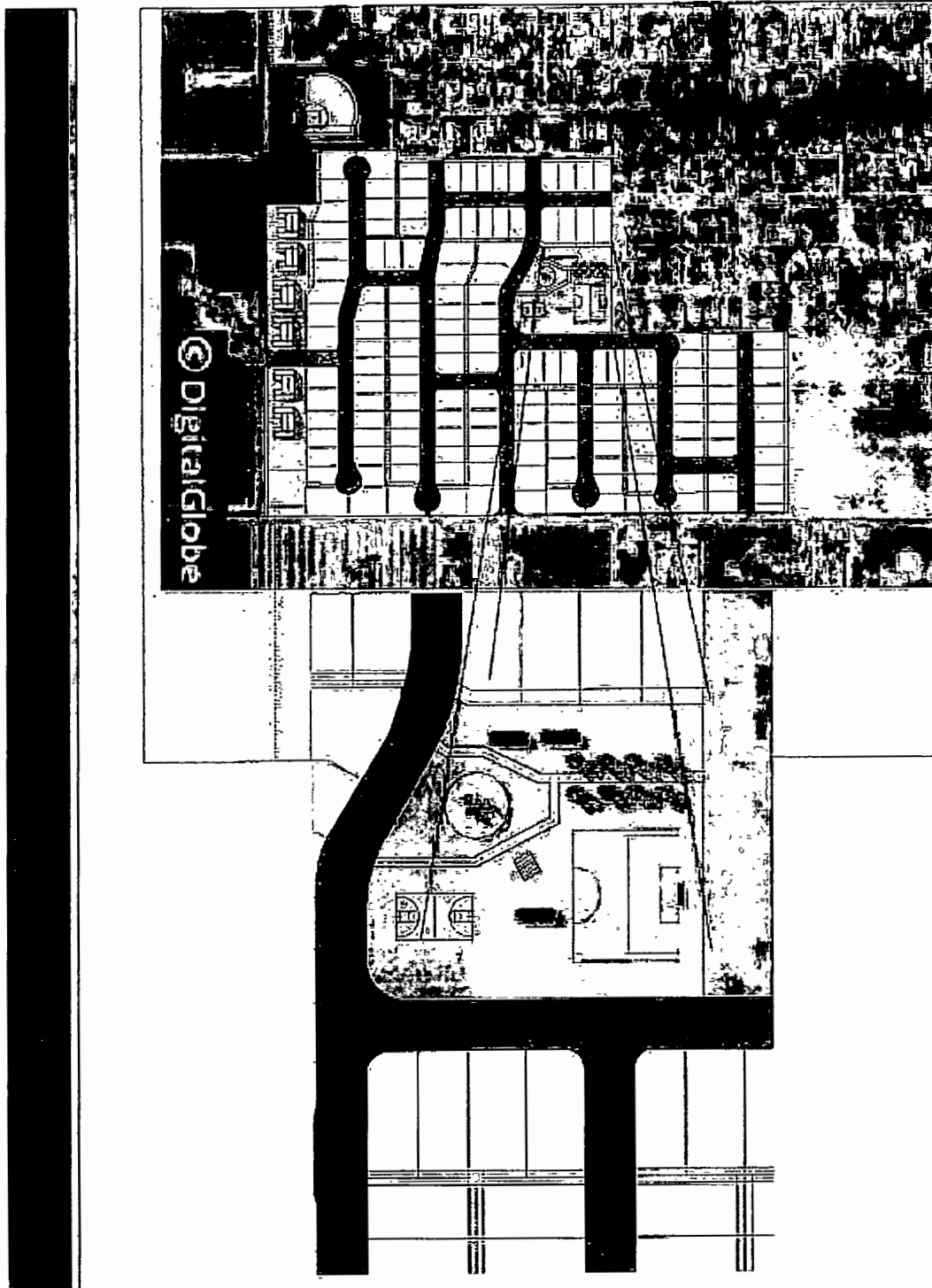
Circulation and Street Design

Street rights of way and adjacent landscaped areas and entries are the most visible and some of the most important elements of a neighborhood's character. Elements that are significant to accomplishing this intent are discussed below in greater detail, while other elements are discussed more generally to permit greater variety and flexibility. The Project will comply with City's and County's Complete Streets Program and Standards. Pedestrian paths are primarily developed as part of the roadway and trail systems of this community and reflect the interconnected nature of circulation and transportation systems as a wholesale. The sidewalks and pedestrian paths connect to the external city and county area to encourage active transportation modes and to establish safe routes to school. Enhanced pedestrian crossings and sidewalks are included in areas where high pedestrian demand occurs. A bike and pedestrian trail will be



completed around the perimeter of the project, and extended to the 18th Avenue/Kern and the Madsen/Sierra intersections. (See Table 4 for phasing of these and other improvements.)

**FIGURE 3
RECREATION LAND**



The Project will also include selective usage of landscaped residential street bulbouts and chokers (see Specific Plan Figure 4-14) to provide visual relief and traffic calming. Bulbouts for traffic calming are proposed at Mariposa Street/22nd Avenue, and at Lindquist/22nd Avenue.

Special street sections have been developed that are intended to provide for City standards in terms of street width and thickness, as well as the geometrics of the graded roadbed, side improvements and side slopes. Specific Plan Figures 4-4 through 4-14 shall be implemented to provide for an aesthetic treatment of the streets, priority for pedestrians and bikes, and adequate fire and emergency service access. Alleys will be utilized as shown in the tentative map.

The Project will provide for road maintenance through a tax sharing agreement and a Community Facilities District. The City will maintain all internal residential roadways, frontages, street trees, and external frontage improvements and roads. The developer is to establish a funding mechanism such as a Landscape and Lighting District or a Community Facilities District to fully fund these maintenance costs.

Utility Infrastructure

Utilities will be provided to the Project in the same manner as provided to the adjacent City areas. Subject to an extraterritorial service agreement through Tulare County LAFCo, the City of Kingsburg will provide water service to the project. Points of connection are in Madsen Road at the approximate Orange Street alignment, and to Mariposa to form a loop system. The Project is in the Selma Kingsburg Fowler Sanitation District's ("SKF") Sphere of Influence ("SOI") and the Project will be annexed to and serviced by SKF. Both SKF and the City have issued "will serve" letters subject to completion of design requirements. SKF has established design standards for the wastewater infrastructure that will apply to the Project. The County will adopt the City's Improvement Standards for the Project. Specific Plan Figures 5-1, 5-2 and 5-3 show the proposed water supply, sanitary sewer collection, and the storm drainage system, respectively, for the Project.

The Project will also pay for applicable impact fees as shown in Table 1, below.

**Table 1
Project Impact Fees**

Impact Fees	County Portion				City Portion		Total
	Single Family		Multifamily		Single Family		
	Impact Fee	Total	Impact Fee	Total	Impact Fee	Total	
Traffic and Circulation	\$ 1,517	\$ 210,898	\$ 499	\$ 19,947	\$ 1,517	\$ 31,862	\$ 262,706.67
Public Safety (Police and Fire)	\$ 2,044	\$ 284,081	\$ 1,635	\$ 65,400	\$ 2,044	\$ 42,919	\$ 392,400.00
General Government and Admin		\$ -		\$ -	\$ 2,774	\$ 58,249	\$ 58,248.75
Subdivision Parks and Recreation		\$ -		\$ -		\$ -	\$ -
Water	\$ 1,776	\$ 246,864	\$ 817	\$ 32,680	\$ 1,454	\$ 30,534	\$ 310,078.00
Storm Drainage		\$ -				\$ -	\$ -
	\$ 5,337	\$ 741,843	\$ 2,951	\$ 118,027	\$ 7,789	\$ 163,564	\$ 1,023,433

General Services

Many of the services and facilities will be provided directly by the Project itself through an assessment district or a Community Facilities District. The County will continue to be responsible for all building, planning, health and human services, and other municipal services (other



than those described below). There are several key facilities and services that the City of Kingsburg may provide including the following: 1) police; 2) fire; 3) general government and code enforcement; and, 4) water supply. Each of these is described below. Storm drainage will be provided onsite and maintained by the assessment district and no City or County fees will be necessary to construct or maintain these facilities.

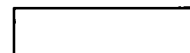
Police. The Tulare County Sheriff will continue to service the site, but in all practicality in a back-up capacity, with City police forces are assumed to be the first responders. The impact of the project is estimated to 0.75 full time equivalent police personnel. The project will provide its share of funding for City police services from a property tax sharing agreement with Tulare County and special assessments as part of the Community Facilities District. The Project proposes to pay the City's Police Facility Impact fee as shown in Table 1.

Fire. Tulare County will continue to service the site, but in a back-up capacity, with City Ambulance/Fire assumed to be the first responders. The City estimates that approximately 0.75 FTE will be needed to service the project. The project will provide this through a combination of fifty-five percent (55%) of the incremental property taxes from the County General portion of Tulare County property taxes, eighty-five percent (85%) of the incremental property taxes from the Tulare County Fire Fund, and special assessments as part of the Community Facilities District. The Project proposes to pay the City of Kingsburg's Fire Facility Impact fee as shown in Table 1.

City Hall and General Government. The City and the County have agreed that to the greatest extent practicable and legal, the City should provide, and be adequately compensated for, normal general government functions such as code enforcement, complaint management, and other such functions. The City estimates that it will take approximately 0.125 FTE to provide the services to be performed by the City in lieu of the County.

Solid Waste Collection. Solid waste management services are provided to the community under a franchise agreement between the City and a private waste management company. Such franchise service is expected to continue over the period of buildout of residential, development within the Project Site. Currently Mid Valley Disposal is the Private Waste Management Company for the City of Kingsburg, and the agreement would have to be updated to include the areas in the County. Penas' solid waste provides waste collection and hauling services in the Tulare County portion of the project. The County and the City have agreed to encourage the separate contractors to explore equitable ways to have one contractor services the area.

Parks and Recreation. The project will provide parks and open space at a level that meets or exceeds the County's and City's standards. These facilities will be maintained through a Community Facilities District. The project and the adjacent neighborhood will be served by a 2.5-acre neighborhood park located at Lindquist, Orange and 23rd Street. According to the City of Kingsburg General Plan (1990), neighborhood parks are to be provided at an overall standard of 2.7acres/1,000 population. According to this standard, the project creates a need for 1.5 acres of developed parkland. The project would provide an additional acre of park land, which would serve a population of three hundred seventy-five (375) persons outside of the Project boundaries. The park's location should facilitate access by existing residents of the neighborhood as well as Project residents. The park will include a "splash pad", practice soccer field or open sports fields, basketball courts, shade structures, a central tot lot with play structure, picnic tables and shelters and other features, as illustrated in Figure 6-1 of the Specific Plan. Parking for the park will be provided through twenty-five (25) on-street parking spaces around the perimeter of the park. Final design of the park would be determined as part of the Phase 2 subdi-



vision improvement plans. Funding for maintenance of the parks would come from the Community Facilities District.

Development Standards and Design Guidelines

Part Seven of the Specific Plan establishes special residential design standards similar to those in the North Kingsburg Specific Plan. These standards will be applied to the Vesting Tentative Map that is to be built out in 4 phases over the next three (3) to five (5) years. These development standards are based on the City and County zoning and development codes. In addition to the development standards in the Kingsburg Municipal Code that will apply to the project (Chapter 17.28-R for the R-1-7 portion, and Chapter 17.32 for the RM 3.0 portion), the Specific Plan sets special development and design guidelines for the project area.

Financing and Implementation

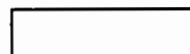
The Specific Plan will ensure conformance with City development standards and adequate financing for City operations, County operations and maintenance of infrastructure. The Specific Plan will be adopted by ordinance and will contain the following regulations; 1) Kingsburg's Public Improvements Engineering Standards; 2) Design and Development Standards comparable to the North Kingsburg Specific Plan as contained in Part Seven; 3) applicable portions of the Title 8 of the Kingsburg Municipal Code related to trash and rubbish, nuisances, weed and rubbish abatement; and, 4) Title 6 of the Kingsburg Municipal Code relating to the keeping of animals.

In addition, the Specific Plan provides a framework for the financial and administrative mechanisms necessary to implement the project, including a Tax Sharing Agreement, Memorandum of Understanding on the role of the City and the County in providing the various public services, and formation of a Community Facilities District, or similar mechanism to fund maintenance and services.

To implement and finance the Specific Plan, special financial mechanisms will be established to ensure that services and maintenance are adequately provided. Since the bulk of the Project is to remain in Tulare County, with services provided by the City of Kingsburg, special revenue generation and tax sharing mechanism shall be adopted to effectively provide these services. The two principal sources of financing include a property tax sharing agreement between the Tulare County and the City of Kingsburg, and a Community Facilities District to be formed over the entire project, with revenues collected by the County and transferred to the City for services and maintenance expenses described herein.

Tulare County Property Tax Sharing

The proposed financing plan requires some property tax sharing from Tulare County. This tax sharing proposal has been crafted after the "Master Tax Agreement" in Tulare County that currently guides annexations in Tulare County and its cities for tax sharing upon annexation. That agreement calls for the County to retain all of its existing revenues from the site (the "Base"), and to share in the increased property tax revenues resulting from development after annexation ("Increment"). Certain City services such as special property tax assessments for fire, police and roads are not allocated any Increment under the Master Tax Agreement if the annexing entity provides those services. The County will pay the City fifty-five percent (55%) of the County General property tax allocation for increment in the Project area, and approximately eighty-five percent (85%) of the increment allocated to the Fire Fund from the project. Under this



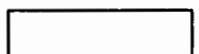
arrangement, Seventy-Nine Thousand Four Hundred Dollars (\$79,400.00) (first year of full buildout) of Phase 1 of incremental property taxes generated by the Project in Tulare County would be paid to the City of Kingsburg, with annual increases based on the annual increases in assessed valuation and as each phase of the Project is completed.

The tax sharing proposal by the County is based on the following assumptions:

1. Approximately eighty-five percent (85%) of the incremental property taxes to the Tulare County Fire Fund would be re-allocated to the City of Kingsburg to cover the estimated Kingsburg General Fund portion of the Fire/Ambulance operating costs. This would recognize that the City would be the closest responder and the County station would provide backup. It also recognizes that over seventy-five percent (75%) of the emergency services calls for service are medical related and the City's response time can best service this need. The actual amount of the shift in the Fire Fund could be based on a fixed amount each year per call for service, or based on the actual number of calls for service for the City and the County, similar to the agreement between the City of Exeter and the County of Tulare.
2. Fifty-five percent (55%) of the post-education revenue augmentation funds (ERAF) adjusted Tulare General County property tax increment would be allocated to the City of Kingsburg. This amount would recognize the reduced burden on the Tulare County Sheriff under the proposed service arrangement.
3. The County would retain all other intergovernmental allocations related to the Project Site based on population, road miles, etc. such as gas tax, VLF and others. Kingsburg would retain the sales taxes occurring in the City and all other intergovernmental allocations related to the City based upon population, road miles, etc. such as gas tax, VLF and others.

Community Facilities District

The ability of tax sharing to address all fiscal needs is limited since the County needs to retain adequate revenues to support its own services and obligations. The Project includes facilities that need to be maintained that are above and beyond the capacity of either the City or the County to address. Cities and counties routinely include special assessments to maintain streets, landscaping, parks, and to provide additional fiscal revenues where there is a need for "fiscal mitigation". Cities and counties have used landscaping and lighting districts to maintain subdivision improvements, and used Community Facilities Districts under the Mello Roos Act to fund maintenance where there is also a need to provide additional funding for services. Since there is a potential need to augment property taxes from Tulare County to make the City "whole" for the anticipated services, a Community Facilities District is the appropriate tool. Other assessment districts may maintain improvements but a CFD may also levy a special tax for services as well. The CFD would be established by the County but administered by the City, with annual pass-through to the City based on the special taxes levied. Table 2 shows the proposed CFD budget and allocations. Table 3 shows the overall financing plan and the CFD capital, maintenance and city pass through assessments. Under this plan an assessment would be established for maintenance of all project streets and landscaping improvements (in the City and in the County), and establish a service reimbursement to the City for Police and Fire services, provide for reimbursement of capital expenses, and provide for administration, contingency and reserves. Total proposed CFD revenues to the City for fire services, police services, and the maintenance of subdivision improvements would total Two Hundred Fifty-Two Thousand Five



Hundred Fifty-Five Dollars (\$252,555.00) per year in the initial years of development, with annual increases based on the increase in costs, and to be specified in the Rate and Method Plan to be adopted by as part of the CFD proceedings.

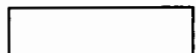
**Table 2
CFD Maintenance Budget and Allocation**

CFD Maintenance			
	County Portion	City Portion	Total
Subdivision Maintenance			Paid to the City
Public Streets	\$ 33,264	\$ 4,356	\$ 37,620
Street Lighting	\$ 6,653	\$ 871	\$ 7,524
Parks and Landscaping (onsite)	\$ 53,112	\$ 6,955	\$ 60,067
Storm Drainage (onsite)	\$ 8,842	\$ 1,158	\$ 10,000
Capital/Debt Service/Reserve	\$ -	\$ -	\$ -
Fire Services	\$ 22,756		\$ 22,756
Police	\$ 69,804		\$ 69,804
City Hall and General Government			\$ -
CFD Administration	\$ 19,443	\$ 1,334	\$ 20,777
CFD Contingency and Reserve @ 10%	\$ 10,187	\$ 1,334	\$ 11,521
General Contingency	\$ 12,219	\$ 267	\$ 12,486
Total	\$ 236,280	\$ 16,275	\$ 252,555
Per Year/Unit	\$ 1,305.42	\$ 775.01	\$ 1,329
Per Month/Unit	\$ 108.78	\$ 64.58	\$ 110.77
Supplemental Tax Rate	0.456%	0.228%	0.428%

**Table 3
City Revenue for Services and Expenses**

City Financials Revenue For Services and Expenses						
	Annual Cost	Revenue			Total City Revenue³	Net Revenue
		CFD	Other	Tulare County Tax Sharing¹		
Fire Services	\$ 48,913	\$ 22,756		\$ 26,157	\$ 48,913	\$ -
Police	\$ 93,750	\$ 69,804		\$ 23,946	\$ 93,750	\$ -
General Government and Support	\$ 29,167	\$ -		\$ 29,167	\$ 29,167	\$ -
CFD Direct Maintenance and Expense						
Subdivision Maintenance						
Public Streets	\$ 37,620	\$ 37,620			\$ 37,620	\$ -
Street Lighting	\$ 7,524	\$ 7,524			\$ 7,524	\$ -
Parks and Landscaping (onsite)	\$ 60,067	\$ 60,067			\$ 60,067	\$ -
Storm Drainage (onsite)	\$ 10,000	\$ 10,000			\$ 10,000	\$ -
Capital/Debt Service	\$ -					
CFD Administration	\$ 20,777	\$ 20,777			\$ 20,777	\$ -
CFD Contingency and Reserve @ 10%	\$ 11,521	\$ 11,521			\$ 11,521	\$ -
General Contingency	\$ 12,486	\$ 12,486			\$ 12,486	\$ -
Water Fund Net Revenue ²	\$ 52,133				\$ 84,839	\$ 32,706
City Property Taxes			\$ 10,286		\$ 10,286	\$ 10,286
Other City Revenue (sales tax, VLF, etc)			\$ 62,074		\$ 62,074	\$ 62,074
Total	\$ 383,958	\$ 252,555	\$ 72,360	\$ 79,270	\$ 489,024	\$ 105,066

With the CFD reimbursements, property tax shifts, and the indirect revenues from sales taxes, direct revenues from water operations and fees, and revenues from properties in the City, the total direct and indirect revenues to the City would be Four Hundred Eighty-Nine Thousand



Twenty-Four Dollars (\$489,024.00) per year, compared to the current property tax allocations of One Hundred Twenty-Six Dollars (\$126.00) per year. Total annual County revenue from full buildout of the Project is estimated to be Two Hundred Four Thousand Three Hundred Dollars (\$204,300.00) for County General, Fire and Library property tax sources, plus other County fiscal revenues from VLF, sales taxes, franchise fees, real property transfer tax gas tax, and other sources. Current County property tax revenue from the County portion of the project is One Thousand Nine Hundred Fifty Dollars (\$1,950.00) per year as shown in Table 8-2 (General County, Library and Fire Fund property taxes on Eight Hundred Thirty-Two Thousand Eight Hundred Dollars (\$832,800.00) base year assessed valuation). Based on these projections, both the City and County are projected to have a positive fiscal condition after buildout of the Project.

Enforcement and Implementation

The success of the Project will depend on continuing cooperation and understanding by and between the City and County during and after the buildout of the Project. There should be continuing communication between the two agencies to ensure that development regulations are implemented in City and County portions of the Project area, and that the responsibilities for providing governmental services is clear. The Specific Plan sets out the following requirements and protocols for Project development and administration.

Annexation/Service Agreements

Portions of the Project that are in Tulare County are in SKF's Sphere of Influence but are not in the district. On October 12th, 2017, the SKF Board of Directors provided authorization to issue a "will serve" letter for the Project to permit its annexation to the District. This will be through annexation proceedings through the Tulare County LAFCo. Annexation of the Tulare County portion of the Project to SKF will be during Phase 1 of the Project. The portions of the Project in Fresno County are already in SKF's district. The portion of the Project that is within Fresno County but not yet within the City limits at the time this Specific Plan is adopted will be annexed as part of Phase 3 of the Project by Fresno County LAFCo.

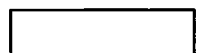
Zoning

This Specific Plan establishes the zoning and land development standards for the Project. Once adopted the Tulare County Board of Supervisors by Ordinance, the development regulations contained herein will supplant those in the Tulare County Zoning Ordinance.

Subdivisions

The precise location of streets and utilities and the precise boundaries of development sites will be determined as final subdivision maps are approved. The Project is proposed in four phases and each will involve a final subdivision map. A Vesting Tentative Subdivision map will be processed concurrently with this Specific Plan and the other related entitlements. The City of Kingsburg will process and approve a Vesting Tentative Map for the portion of the Project in Fresno County, and after the County's certification of the EIR for the Project. A Subdivision Agreement will be processed with each Final Map, and bonds will be provided to ensure faithful completion of the subdivision improvements.

Architectural and Design Review



To ensure consistency with the provisions of this Specific Plan, building permits and housing master plans will be subject to administrative review and approval. The Tulare County Resource Management Agency ("RMA") Director, or a designee, shall be responsible for ensuring compliance with the design regulations. To ensure concurrence by the City of Kingsburg, house master plans or "stock" plans shall be referred to the City for review and approval prior to approval by the County, and the County shall require revisions where necessary and appropriate to ensure compliance with the provisions of the Specific Plan and the City of Kingsburg requirements and conditions.

Building Permits

The County shall be responsible for plan-check, inspection, and occupancy release in the County portion of the Project and the City will be responsible for plan-check, inspection, and occupancy release in the City portion of the Project, unless the City and County establish an agreement otherwise.

Public Facilities Financing

Part Eight of the Specific Plan summarizes the required financing mechanisms for the infrastructure improvements and services that will be required to serve the Project. The County shall require that City impact fees identified in Table 1 are paid prior to issuance of building permits.

Development within the Project area will be supported by public facilities located in the area, and by the extended systems that exist or will be developed. Facilities such as local streets and utility lines will be installed by Project developer(s) of the area and dedicated to the City or County as applicable.

Interpretations, Adjustments and Amendments

Implementation of the Specific Plan is expected to occur over several years. During that time, questions may arise which the Specific Plan does not completely answer. Also, there may be desires to develop some features differently from original proposals described in the Specific Plan. The Specific Plan should provide for specific processes and authorized agents to provide Specific Plan Interpretations, Adjustments, Minor Amendments and Major Amendments is described below.

Interpretations are judgments that apply the stated intent of this Specific Plan to specific situations. Interpretations generally are limited to details where the features of the Specific Plan may appear to provide different guidance from each other, or from other adopted City or County policies or the requirements of other agencies. Interpretations may be needed when considering a discretionary development application, such as a subdivision map, or a ministerial application, such as a building permit. The person or body with approval authority for the application makes the interpretation. In the case of ministerial development applications, this is the Tulare County RMA Director for the County for the portions of the Project located in the County, and the City Manager of the City of Kingsburg for portions of the Project located in the City. In making any such an interpretation, the applicable approving authority shall consult with any other affected City/County departments, and with the other approving authority (that is, the Tulare County RMA Director and the City Manager).



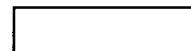
Adjustments are minor changes to precise features of the Specific Plan, where the resulting difference in development type or capacity is not significant and the change is clearly consistent with the intent of the Specific Plan. This may involve precise zoning boundaries to conform with legal property boundaries, street locations (although not including adjustments of street locations more than half a street width), the adjustment of utilities that are in substantial conformance with the utility master plan, or a modification of a lot or site development dimensional requirement (yard setback, height, etc.) of no more than ten percent (10%) of the required dimension. Minimum lot area (including minimum number or percentage of ten thousand (10,000) square foot lots in the R-1-7 zone) may be permitted as an adjustment, but only with the concurrence of the City approving authority. An adjustment may also include a reduction in the number of total lots by no more than ten percent (10%), or an increase in the number of lots by no more than five percent (5%). The RMA Director, or designee, shall be authorized to make such adjustments for the portions of the Project in the County, and the City Manager may make such adjustments for the portion of the Project in the City. In making any such adjustments, the applicable approving authority shall consult with any other affected City/County departments, and with the other approving authority (that is, the Tulare County RMA Director, or designee, and the City Manager) to ensure consistency.

Amendments are changes to features of the Specific Plan involving differences in development type or capacity (including public facilities). Amendments usually involve a question of consistency with the original intent of the Specific Plan, or with the General Plan. Amendments shall include any change that is not an interpretation or an adjustment. **Minor Amendments** and **Major Amendments** may be permitted to the Specific Plan. **Minor Amendments** shall include an increase in the number of total lots by more than five percent (5%) or a reduction in the number of total lots by not more than ten percent (10%). Minor amendments shall also include a change in the configuration but not location of the Project areas various zoning areas (R-1-7 and RM-3.0), if there is no change in the total number of lots. All Minor Amendments shall be approved by the Planning Commission for the City or County, as applicable. All other amendments shall be **Major Amendments** and shall require the approval by the Board of Supervisors and the City of Kingsburg City Council, and the Tulare County Planning Commission.

All actions to implement the Specific Plan (excluding financing mechanisms) are subject to environmental review, and an EIR has been prepared for the Project as described in Part Nine of the Specific Plan. For project and implementing actions that are consistent with the Specific Plan, for Adjustments, Interpretations and Minor Amendments, the environmental determination is expected to be that the project is "categorically exempt" due to its type or size, or that further environmental review is not needed because the Environmental Impact Report for the Specific Plan has adequately addressed all environmental issues. Further environmental review may be required for Major Amendments to the Specific Plan only if, (a) a previously unknown environmental resource or hazard is discovered on the site, or (b) local conditions have changed substantially since the certification of the Environmental Impact Report. In such cases the Lead Agency may prepare an Addendum or Supplement to the EIR, as appropriate, or a subsequent comprehensive or focused EIR.

Phasing

Development is expected to start in 2018 and to be completed within three (3) to five (5) years thereafter. The sequencing of development shall be in conformance with the phasing indicated on Figure 2. Key features and improvements, and their phasing is described in Table 4 below. Unless specified otherwise in Table 4, all other improvements will be installed that are within the applicable phase boundary.

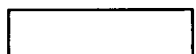


Conditioned Approval

The County has requested the City approve this MOU and consent to the Specific Plan (collectively "Initial Approval and Consent") before the approval of this MOU and adoption of the Specific Plan by the Tulare County Planning Commission and Tulare County Board of Supervisors. The Initial Approval and Consent is provided by the City on the condition that neither the County, the Tulare County Planning Commission, the Tulare County Board of Supervisors nor any other person, entity or agency (singularly "Tulare Party" and collectively "Tulare Parties") change, modify or revise (collectively "Revision") this MOU or the Specific Plan after the date of the Initial Approval and Consent. Should a Tulare Party propose any Revision to this MOU or the Specific Plan after the date of the Initial Approval and Consent, the proposed Revision shall be provided to the City of Kingsburg. Should the City approve the Revision, this MOU or the Specific Plan may be revised accordingly. Should the City object to the Revision, the Revision shall not be made to this MOU or the Specific Plan. Should the Tulare Parties elect to make the Revision to the MOU or the Specific Plan over the objection of the City, the Initial Approval and Consent and this MOU shall automatically become null and void and of no further force or effect. Also, should the Recreation Land not be donated to the City in accordance with the provisions of the Donation Agreement, this MOU shall automatically become null and void and of no further force or effect.

**Table 4
Infrastructure and Improvement Phasing**

Improvement	Phase			
	1	2	3	4
<u>Sewer</u>				
Connection to SKF Trunk Line	●			
Annexation to SKF District	●			
<u>Water</u>				
Connection to City Water Main in Madsen	●			
Connection to City Water Main in Mariposa	●			
Connection to City Water Main in 22 nd Avenue		●		
<u>Storm Drainage</u>				
Pond South of Kern (Initial 7.75 acre-feet of Capacity)	●			
Added 3.0 acre-feet of Pond Capacity		●		
Added 0.8 acre-feet of Pond Capacity				●
21 st Avenue and Kern Street Storm Drains				●
Bergman/Gunnar/23 rd Avenue 30" Trunk Line to Pond	●			
<u>Streets and Ped Improvement</u>				
Sidewalk/Ped and Bike Path Connections to 18 th /Kern	●			
Sidewalk/Ped and Bike Path Connection to Sierra/Madsen			●	
Kern Street Ped/Bike Trail	●			
Madsen Ped/Bike Trail South of Lindquist		●		
Madsen Ped/Bike Trail North of Lindquist			●	
<u>Neighborhood Park</u>				
CID Ditch Undergrounding				
South of Lindquist		●		
North of Lindquist			●	



The CITY and COUNTY, having read and considered the above provisions, indicate their agreement by their authorized signatures below.

Date: 6/6/2018

CITY OF KINGSBURG
a Charter City

By [Signature]
ALEXANDER J. HENDERSON
City Manager

Date: 6/20/2018

COUNTY OF TULARE

By [Signature]
Chairman, Board of Supervisors

ATTEST: MICHAEL C. SPATA
County Administrative Officer/Clerk of the Board
of Supervisors of the County of Tulare

Date: 6/20/2018

By [Signature]
Deputy Clerk



Approved as to Form
County Counsel

Date: June 13, 2018

By [Signature]
Deputy
Matter # 2018815

